

Frequently Asked Questions with Answers for the SEP Loan and Grant Program

Part I – Loan and Grant Program Background & Description

Q: If all of the money that state gets is grant funding, why is this program 2/3 loans?

A: It will be a revolving loan program that can continue. Revolving loans are encouraged by DOE for these funds.

Q: What about out of state companies?

A: They have to be able to do business in the state of Washington and have a location in the state. This program is to provide jobs for Washington residents.

Q: Will there be another round?

A: Yes, in December or January.

Q: What is the value of the next round?

A: Yes. \$18.5 million.

Part II – Project Implementation

SEP Contract Requirements

Buy American

Q: Regarding the Buy American requirement, does it require 100% of all equipment for public projects?

A: Yes, the way we currently read it. DOE is developing a process to apply for exemptions if you can't get some things in the U.S. They have estimated that they will have the guidelines out the end of July.

Q: regarding Buy American, does just taking the money make it a project public?

A: No.

Q: Re Buy American, must process equipment be manufactured in the U.S.?

A: Yes. Would have to request a waiver. We don't know what that the process will be under DOE yet.

Q: If an applicant has a 50/50 match, they would get three points out of 30 points?

A: Yes.

Q. On the Buy American requirement – what if the machinery and equipment needed is not produced in US?

A. It may be exempted, we are working with DOE.

Q. Does the Buy American requirement apply to private projects?

A. No.

Q: Will the second round be subject to same requirements?

A: It may be changed based on our experience with this round. There probably will be changes.

Q: How do you handle subsequent changes in scope of project after have gone to award?

A: That will be subject to negotiation.

Q: Is there a possibility of more funds after the contract has been signed if there are changes in the project?

A: No.

Q: What about rebuilt and guaranteed as new even though is used?

A: If built here in the U.S, there shouldn't be a problem.

Q: Construction, alteration or repair for Buy American – if using recycled materials and not able to say is from the U.S but used in U.S., is that covered? Or equipment purchased years ago?

A: Will be getting more guidance from DOE on this, hopefully by the end of July.

Davis-Bacon

Q: Davis Bacon – if any portion of project receives funding, does it mean that the project as whole must comply?

A: Davis Bacon primarily applies to construction.

Q: Would CTED be willing to consider hosting webinars on Davis Bacon?

A: Yes. It will be part of the training. We will include you and your subcontractors.

Q: Davis Bacon applies to installation of equipment and retrofits?

A: Yes. Also applies to weatherization.

Q. Does Davis-Bacon apply also to private projects?

A. Yes, mostly construction.

Q: Might be an adjustment to Davis Bacon requirements?

A: We have not heard anything. The latest information will be included in the contract when it is executed.

Q: Does Davis Bacon apply to non public works projects?

A: Yes.

NEPA & SEPA & ORA

Q: Who is lead agency on NEPA review?

A: U.S. DOE.

Q: Do you need NEPA attached to the application?

A: Should be some document that shows review has been done or plan for completing the review.

NEPA under DOE is not yet clear. We need to provide more information on NEPA on our web site as regards the question people have on their projects.

Local ORA and Commerce staff are available to work with you on NEPA and the permitting process.

Q: Will Commerce want to see a permit in place for the application?

A: Will need a plan for how will get permits if don't have them yet. Can include the cost of permits in the application request.

Q: What if you use the funds to get permits and then your permit is denied?

A: Commerce will have to cancel the contract. It will have to be repaid if it is a loan. You may want to use the match funds for permitting.

Q: Will environmental review be concurrent under SEPA and NEPA?

A: We don't know yet.

Q: Re evidence of permits in place, can't happen up front for NEPA.

A: Could put in a paragraph saying how would propose to go through NEPA – schedule for completion.

NEPA – each federal agency has their own guidelines for NEPA. Need to look at the guidelines for NEPA for DOE. With ARRA funding from other agencies, have found a contact for the agency.

SEPA – state process for environmental review. Lead agency will probably be the local jurisdiction – city or county.

Q: Is a list of categorical exclusions from DOE for NEPA available on the web site?

A: We are working on it.

Q: Does NEPA satisfy SEPA in most cases?

A: It can. ORA can help with that.

Q: Can sometimes do SEPA and NEPA together, especially with larger projects.

A: ORA will work with Commerce on this.

Q: When would the NEPA forms be available?

A: Will have to check with DOE and clarify.

Q: Considering JARPA, does ORA assistance help expedite permits from the state?

A: No. Their role is a neutral agency that is an advocate of the process. Assist with getting information and contacts as soon as possible.

Q: What could happen to a project that has DOT ARRA funding and has gone through the DOT NEPA process? Would additional work need to be done under NEPA?

A: Would have to look at the project and what was addressed under NEPA and DOE's requirements. Philosophy is only go through it once, but may have different elements that have not yet been addressed.

Q: When would they need to know this?

A: Need to call the agency to work on finding an answer.

Q: If already gone through SEPA, will it trigger NEPA?

A: Would have to look at NEPA because of the federal funding. May have an exemption, but must look at it.

Q: Won't know status of project until after the final application and award?

A: Can find out before that after consulting with ORA. Hopefully we will know NEPA requirements prior to application. Give ORA a week to do some research.

The JARPA form changed about six months ago.

Reporting

Loan Terms

Q: Re bridge loans, do they have to go back to \$500,000?

A: Yes.

Q. Can a project pay a higher interest if willing?

A. No

Q. What happens to the repaid loan funds?

A. When loans are paid back – they go back into pool. These funds stay in federal money pool.

Q. When is the second round?

A. 2nd round in winter – end of Jan 2010.

Q. Do you know yet if project receives funding 1st cycle, can they apply for 2nd cycle?

A. No, we will make that decision when we look at the next cycle.

Q: What is the term on the bridge loan?

A: Bridge loans will have to be repaid with interest by January 31, 2013.

Q. How will you handle it if we receive a loan and not use all funds?

A. You will not bill us for the total of your contract.

Q. On loans – does the interest rate clock start when we receive fund and is it based on amount you've taken?

A. Yes.

Q. When are payments due?

A. Repayments will be due annually in September

Q: Will grants be provided up front?

A: No. They are reimbursable. You could ask for reimbursement once a month if the project is moving quickly.

Q. How long can we expect reimbursements to take?

A. By state law we have to make payments within 45 days of having all the paperwork. That said we usually get payments out within two weeks.

Q: Loans to a business disbursed at closing?

A: No. All payments are reimbursements.

Q: Where do cooperatives fall regarding 3 year versus 15 years loans?

A: Our Attorney General states that coops are private according to state law.

Q: With the loan program, if project has aspects in different communities both distressed and not, how do you decide what loan interest percentage to pay?

A: The loan interest will be based on where the bulk of the work will be.

Q: With respect to negotiating terms for grants and loans, is there the equivalent of a one stop shopping service equivalent to the Office of Regulatory Assistance? Will be realtors, banks, etc. involved.

A: The Dept. of Commerce will be negotiating the contract with the successful applicant.

Q: What kind of security position will CTED take on loans?

A: We hope to be in first position. If need to be subordinate, will have to negotiate to make sure have a secured place. We will be working with our staff that has done a lot of loans.

Q: Considering loan guarantees as part of this program?

A: No. SEP doesn't allow them per federal rule.

Q: Is there a preference for community banking in relation to subordination?

A: No preference has been made.

Part III – Dates, Deadlines, & Contact Information

Q: Can we put a request in the email to indicate it has been received.

A: If email notice of intent, we will indicate received if it a receipt requested is put in the email by the sender.

Q: If a school district is interested, how do you determine if they are distressed?

A: It is determined by county by Employment Security – they have a specific list. The link is on our website.

Q: Do you want forms submitted in Word?

A: Submit in PDF to be protected.

Q: Seems like a short time for a grant application. What is it driven by?

A: It is driven by the demand to get the application guidelines out quickly to be able to apply. There is an expectation that the money be distributed quickly.

Q: When you submit electronically, will you get a receipt in acknowledgement?

A: Make sure you put that in your email through your system. We will also respond to you.

Q: Will you let people know numbers of notices of intent by category that are submitted?

A: Yes, we can put it on the web site.

Q: Do you want forms submitted in Word?

A: Submit in PDF to be protected.

Q: Seems like a short time for a grant application. What is it driven by?

A: It is driven by the demand to get the application guidelines out quickly to be able to apply. There is an expectation that the money be distributed quickly.

Q: When you submit electronically, will you get a receipt in acknowledgement?

A: Make sure you put that in your email through your system. We will also respond to you.

Part IV – Eligibility Information

Q: Nonprofit would apply for a loan to become a microloan source for others. Would facilitate implementation by others – towns, schools, and business. How do they fit in?

A: Take a good look at the packet and see how you fit. We cannot comment on the strength of the application. Re microloans, but would have to have them all in place by December 31, 2011. Intent was for a wide variety of eligible projects.

Q: Companies that could go together – how can they do that when they are all doing different things?

A: Could work with consultants to do that. August deadline may be too soon, but could look at the second round. Second round will have same expenditure deadlines as the first. Office of Regulatory Assistance recommends looking at facilities, buildings, land and infrastructure on the same site.

Q: Will there be issues with businesses having customers outside of the state? What about partnering?

A: No issues with customers. If have a partner that creates jobs outside Washington, it may be harder.

Q: What if I have a partner in Florida?

A: That is ok if the project is in Washington. The project needs to create Washington jobs.

Q: Renewable v. clean energy, if not sure which can you apply for both?

A: You can mark both. It doesn't matter because almost every clean technology is going to include energy efficiency or renewable energy.

Q: What is the level of maturity you are looking for in Clean Energy?

A: Projects must demonstrate a clear path towards deployment at a commercial scale within two or three years.

Q: It sounds like a contradiction in terms.

A: It does. Technology need to be ready to move forward without a lot more discussion.

Q. Do we have to register at Fedconnect or grants.gov to apply?

A. No.

Q. If you are individual that owns business – who makes application?

A. You have to apply as business.

Q. If the project falls into the crossover category– reduced gases or emissions – how do we apply?

A. Mark all that apply.

Eligible Projects

Q: Can we apply for more than one project?

A: Yes, separate applications.

Q. Can you switch from grant to loan or loan to grant?

A. Grants are limited. You cannot switch from grant to loan or loan to grant.

Q. Can one project apply for grant and loan?

A. Yes – use one application.

Q. What if we are planning phased project?

A. Talk about the other phases if they are contingent upon this phase of funding.

Q. We have two entities, a joint venture, who is the applicant?

A. Depends on where you are on your process and who is capable of taking lead.

Q. If we plan to weatherize buildings, does the age of buildings matter?

A. If the building has historical significance you will need to work with the Department of Archeology and Historic Preservation.

Q: Technical questions about which category a project should fit?

A: Can ask Commerce staff in an email. But you can explain in your application why you think your project fits a category.

Q: Examples of projects?

A: There are many possibilities. We have broad discretion with this fund. One example is an energy efficiency project in a local government or school. Renewable energy projects and clean technology, etc. Second round will help further define.

Q: Timing is everything. Need to explain timing issues in application? Can apply for second round?

A: You can apply for second round, but will have to meet same expenditure deadlines as first round.

Q: If are not Weyerhaeuser or Boeing, don't bother to apply.

A: Will get many more applications than can fund. Reason for a second round.

Q: Can we have a project with efficiency and renewable components?

A: Yes

Q: If project falls in two categories such as commercialization and energy efficiency, would it qualify as energy efficiency because it is not commercial scale yet?

A: No, would probably fall in clean technology category.

Q: Any qualifications regarding the use of old growth forest for fuels? What about thinning to preserve old growth forest? Stewardship projects?

A: We do not know yet if we are subject to federal restrictions concerning old growth forests.

Q: What about clearing of dead wood, excess fuel?

A: Fine not sure yet, if old growth.

Q: Re carbon sequestration, does it include reuse of carbon?

A: Carbon Sequestration projects are not allowable.

Q: What can grants go to?

A: Renewables and clean technology.

Q: Used oil eligible?

A: It is recycling not renewable energy.

Q: Projects based on wood chips include infrastructure to develop a project eligible. E.g. project around an algae pond?

A: There is not enough information available in this question.

Q: Excludes methane recapture also?

A: Methane capture is allowable unless there is more to it.

Q: What is commercial scale?

A: Commercial scale is a product that is off-the-shelf or something that is commonly used.

Q: Economic thresholds in past for BPA energy efficiency programs have been a problem. Is there an economic feasibility embedded in the program? For example, programs with short savings payback – cost effectiveness?

A: Have not set a limit on that. With amount of project cost, we aren't anticipating cream skimming with short term savings versus long term savings.

Q: If you have a new technology that is new modeled, proven and verified by a national lab, won't be funded?

A: Not for energy efficiency, but for the other category.

Q: Do ground source heat pumps count as a geothermal project?

A: Yes.

Q: Energy efficiency eligibility – if want to use the loan fund for a loan pool for energy efficiency programs for lending to business, can they use it?

A: It would be eligible. But please consider your ability to meet the timeline.

Q: Process heat = process steam?

A: Both eligible.

Matching Funds

Comment: In next round, keep January 1, 2009 date for matching costs.

You must have at least as much matched as you are requesting in funding.

Q: After local match determined – can you replace local match with other dollars?

A: YES, but need documentation to us.

Q: Match for nonprofits?

A: Yes.

Clean energy program, this match is same for scoring & match. Negotiated & compromising during?

Q: 20 million project – energy design 2 million – designs completed – if grant is awarded will 1 million be paid?

A: No but it could be match.

Q: If project doesn't get done – if loan – have to repay?

A: If grant – depends?

Project without access to other funding streams. Shovel ready. Good idea to have someone else buy into your project.

Discussion around match – utility funding is allowable – part of match – need letter of commitment.

Bank loan towards match – yes

Q: Do they have to be formally at time of application?

A: Need letter documenting match. You need to know where they're going to come from and letter included in application.

Q: 100k grant, 400k loan – with 500k match. All grant money extended, drop? Probably talk to see if wanted just loan?

A: We will look at this if it comes up.

Q: Is equipment preferential to real property for a match?

A: No.

Q: Do you want a letter of commitment from a bank?

A: Yes. We want letters from anyone that is providing match for the application – want documentation. We need to know there is a commitment of funds.

Q: Can you use Avista rebates as a match?

A: Yes.

Q: Does match include what you will be spending in addition to what we have expended since January 1, 2009?

A: Yes.

Q: Projects more than \$4 million can't apply?

A: It means that you need more matching funding.

Q: Donated time is not allowed?

A: Correct.

Q: Can the match be a bank loan?

A: Yes.

Q: Could you use the state energy credit for improving total energy production as match?

A: Will need to get back to you.

Q: For energy credits traded on Wall Street, can they be used as match?

A: If you have a contract to sell at a fixed price.

Q: Can a sales contract with a customer be considered a match?

A: If you have a signed contract for sales and can document it.

Q: Is the match a state or federal decision? Could it be changed in the second round.

A: It is a state decision that could be changed in the second round.

Q: Is the January 1, 2009, for match is a state decision?

A: It was a state decision.

Q: On the 50% match, funds during the two year period?

A: Yes.

Q: Can match be from multiple entities?

Q: Is \$250,000 the match, such that the minimum project is \$500,000?

A: We have changed the minimum amount requested to \$250,000 so the minimum project size is \$500,000.

Q: The grant process is great, but when are talking about 50% match it won't work for his company. Have already invested \$1 million that they can't use as match. Will not work for smaller companies.

A: Recognize doesn't work for everyone. Encouraging companies to partner with projects. We are 10 person organization that cannot manage many \$100,000 contracts. Administrative cost limit imposed by the Legislature. So chose to go with larger projects. We have changed the minimum amount requested to \$250,000 so the minimum project size is \$500,000.

Q: Re letter of commitment, when do the funds have to be available?

A: Before the end of the grant funding period, but we will track the match funds through the contract not just at the end of the period.

Q: Will you provide a definitive statement of what real property can be used as match?

A: We are defining real property as land and buildings for this application.

Q: Regarding subordination, banks loaning funds want first lien. What will the state do?

A: State could be second or third based on negotiation.

Q: Re modifying an existing operation, can plant equipment be counted?

A: If purchased since January 1, 2009 and directly applicable to the project.

Q: Could real property include a facility that has contributed to the project, such as producing facility?

A: We are defining real property as land and buildings for this application.

Q: Can matching funds include an application for other funds that won't know if will receive until August or September. Would you reduce the award if got enough money from other sources?

A: Put down the other funds have applied for – have said that they are eligible. Might reduce in negotiations if got all of money from another source.

Q: Can costs back to January 1, 2009 be used as a match?

A: Yes.

Q: For the project budget listing sources of funding, do you want the names of investors?

A: If you are using them as providing match then yes, they would be providing a letter of commitment.

Q: What if they have already invested the funds?

A: You need to state that you have it in your bank account.

Q: Will the cost of permitting be considered to be matching funds?

A: Yes, if directly tied to project and after January 1, 2009.

Q: One of requirements is that you have a 100% match. In the scoring of this section, if you meet the match requirement can you qualify. If someone else gets a higher match, will get scored higher for going beyond what is required?

A: Yes. It will be a larger project.

Q: When would funds need to be received from investors?

A: Any time before end of funding period. We will be reviewing each request for funds to see if the match is being spent at the same rate and probably question how you plan to spend the match.

Q: If project cost is \$1 million to \$4 million, could never get to 10 points?

A: Could have a larger project than \$4 million.

Q: If have \$1 million project and apply for grant and loan, grant should be considered as match for the loan because are planning to pay for that. Project may not happen because of the match requirement.

A: After we get through this process, send us an email how we can be more helpful in the next round. Need to do loans to keep a revolving fund available.

Q: Is the money received the only money subject to all of the ARRA requirements?

A: No. The match would be subject to those requirements. Would limit people coming in for the 10%.

Q: If could include in-kind contributions, that would be huge.

A: Will depend on the first round.

Q: If private equity is tied to an award, a commitment letter would be subject to the award. When would CTED communicate back about award to the funder?

A: Hope to get applications reviewed and selected by September.

Q: Matching funds required for grants and loans?

A: Yes.

Q: Can we use utilities incentives as part of match?

A: Yes.

Q: On match, if request a \$1 million loan must put in \$1 million in equity or cash?

A: Yes.

Q: Must have the \$1 million by application deadline of August 17, or by the end of the calendar year?

A: Need to have the commitment in the application, not cash in the bank – letters of commitment.

Q: Will intellectual property and patented materials be submitted as real property in the applications?

A: No, real property is land and buildings for this application.

Q: What is the eligible date of purchase for real property being used as a match?

A: See page 13 in the guidelines for a clarification of real property used for match.

Q: Real property means real estate?

A: Yes.

Q: What are the credit requirements? Will the state be evaluating credit worthiness?

A: Have a match from the bank, etc. State is not evaluating credit worthiness.

Q: Need minimum of \$500,000 in match to apply?

A: Based on the comments we heard at the workshops we have revised the minimum our application Yes. Must be \$500,000 for a \$500,000 funding request. It is a 100% match. Projects are \$1 million to \$4 million based on the match requirement.

Q: Who set the cost share requirement? Feds will accept in-kind contributions.

A: State set the requirements. This is the first round. We may change things in the second round. There will no changes to the application requirements in this round.

Expenditure of Funds

Q: Money must be distributed by 2011, but can also revolve?

A: Once revolves, won't be subject to same federal deadlines but will stay federal for reallocation.

Q: How will reimbursements be handled?

A: Reimbursements will be available on a regular basis.

Q: Does it matter if funds spent equally throughout timeline or in chunks?

A: It depends on project. We want to make sure the project is making progress and meeting deadlines.

Q: Can training be included as reimbursable cost?

A: Yes.

Q: On expenditures, can a feasibility study for new green technology be funded with this program?

A: It has to produce jobs and save energy – so would have to be implemented.

Statement of Financial Need

Q: Is statement of financial need going to be scored?

A: It will be a threshold requirement.

Q: How will it be used as a threshold requirement?

A: Must have a signed statement that project won't go forward without the funds.

Q: Could be used against credibility and stability – it is contradictory.

A: Yes. There is some contradiction.

Q: What form is the statement of financial need?

A: The statement of financial need is part of the certification in the project summary.

Part V – Application Review Process & Awards

Q: For process-oriented energy efficiency applications, and the energy savings is less than estimated because of a change in process, will you change the contract?

A: We will not be paying based on energy savings performance the contract and repayment will be based on the amount the project costs up to the contract amount.

Comment: Everything you have asked for is consistent with an SBA loan.

Comment: Appreciate that this is a simple process versus other programs. However, trying to apply for those other programs would be almost impossible given the time frames.

Q: Will we get a confirmation of receipt?

A: Yes. You can do that through your email program. Commerce will also send a receipt.

Q. Does CTED want financial statements, long term prospectus, and business plans?

A. Yes, please include information that will help us make good decisions.

Q. NOI amounts – can they change on actual application?

A. Yes

Q. What do you mean by NOI subtype?

A. Renewables: bio, wind, solar; energy efficiency; combined heat and power; LED's

Q. What is a SWV#?

A. It is statewide vendor number. If you've already done business with the state, you have one. If not and you're selected for grant or loan, you'll have one.

Q. What are sub recipients?

A. Partners or subcontractors

Q. What is CTED looking for in the Project plan?

A. We want to know if you will meet the December 31, 2011 deadline? Change the tasks on the lines if needed. Show us you've planned and can meet deadline.

Q. What's relationship between Clean Energy Leadership Council and reviewers?

A. None. We plan to let them know about the successful applicants depending on their meeting schedule.

Q: Can an applicant apply for different projects in different applications?

A: Yes. If they are different projects.

Q: Will the final list of awards be published?

A: Yes. It will include the name, location, and amount of the project award.

Q: Is business plan public?

A: Can request it be confidential consistent with the Public Disclosure Act.

Q: Will the draft scoring be published?

A: We will provide scores to applicants if they ask.

Q: Scoring criteria does not include emissions. Why?

A: Greenhouse gas emissions can be calculated based on energy savings.

Q: The project team can include construction manager, etc.?

A: Yes.

Q: Fill out the application that includes the entire team including subcontractors regarding the organizational eligibility requirement?

A: No. Just the prime applicant.

Q: Re professional evaluation, want a little more than a yes or no answer?

A: We will be putting together teams of reviewers.

Q. How do you calculate energy savings?

A. Talk to engineer for project. Clarify common engineering methodologies.

Q. Will you hold application to next round.

A. No – you'll have to reapply.

Q. In the Letter of Intent is it ok to have estimates for funding and match?

A. Yes.

Q. What if a small project? Can we put on your website to find others with small same type of project to make BIG project?

A. No we are unable to provide that service. We have heard your comments and reduced the minimum application amount to \$250,000.

Q: Do you want a copy of our business plan in the application?

A: Would like a copy. If it is long, provide a summary.

Q: What can you tell us about the \$5 million credit enhancement program?

A: We have hired a consultant to explore the market for the program with the financial industry. We are working with lending institutions on this.

Q: The second round will be funded when?

A: December of 2009.

Q: Can amount requested in the notice of intent change in the application?

A: Yes. We want to know rough scale and type of project. We want to make sure we have the expertise assigned to review applications in a timely manner.

Q: Where do we find the state and federal legislative district number?

A: State legislature web site and congressional web site. Can ask local congressman.

Q: What is “organization category”?

A: Business, nonprofit, government, etc.

Q: In the notice of intent, what kind of subtypes are you looking for?

A: Need to indicate subtypes such as building retrofits for energy efficiency.

Q: When will Feds review this?

A: The US Dept. of Energy will not be reviewing applications for funding. They have reviewed and approved our proposal that appropriates the Department of Commerce half of the funds. We will have to demonstrate that we have obligated the funds and jobs are being created or retained as well as energy saved or generated to receive the second half.

Q: If you are partnering with other entities to apply, do you need information on the entity that is not the direct recipient?

A: Yes.

Q: Limit to number of projects that can be submitted?

A: No. But each project has to stand on its own with match.

Q: If apply for grants and loans and score is too low, would you award for half of it?
We could do that.

Q: Because project plan is large part of score. How much impact would it have to have already gone through SEPA review?

A: Most important is plan for completing environment review.

Q: What do you use as a baseline for energy savings with a new facility?

A: Give us your assumptions for your calculations and give us your best estimate. Our energy experts will review it.

Q: Does this include all types of entities, including newly formed business?

A: Yes. Will be looking at the people’s experience, etc.

Q: First come first served an advantage?

A: No. But early applications will be appreciated.

Q: If have a seasonal project, might be ready to go but have to wait until summer because can’t operate in the winter. Is that a problem?

A: Will have to pay everything need to pay by December 31, 2011. Depends on project and timing of milestones. Address in the project plan how will address expenditure deadline. Could find a way to work it out.

Q: The project is related to farming and summer activities.

A: Key is to expend everything by the deadline.

Q: If have project with two different locations?

Can have multiple locations. If one part is in a distressed community and the other isn't the interest rate will be based on where the predominate location is.

Q: Where is the list of distressed communities?

A: On the Economic Security Department's web site.

Q: If project meet all requirements, but doesn't have match is it still eligible?

A: No.

Q: Two to three years from date of contract signature to become commercial?

A: Yes.

Q: BPA grants have had multipliers for transmission savings. Will you include them?

A: No, they are not in the formula.

Q: If a project is to bring new technology into the marketplace, would you count the output from the product in the marketplace?

A: You need to have some way to document the calculation.

Q: In creating a company, what regulations should we look at for siting new sources of energy?

A: The normal permitting agencies.

Q: Is there any preference for energy reduction, e.g. changes energy mix?

A: No. Look at the metrics. It will based on BTUs. No preference in energy mix.

Q: Will there be any outside expert review of this?

A: It will depend upon the applications. May use some subject matter experts outside the agency.

Q: A permit could take months. Do we need to have permit before approval of the grant or loan?

A: No, but do need a plan for getting the permit.

Q: Obtaining site control – projects without site control will have difficulty meeting timing requirements. What is site control?

A: If don't have access to the site, you may have trouble meeting the deadline.

Q: Do you want to see good faith negotiations if funding is required to execute a lease?

A: Yes. It will be different for each project.

Q: Do options or earnest money contracts for 6 months to a year qualify as site control?

A: Yes.

Q: Do we need personal guarantees for loans?

A: Must show that the project will generate energy savings or another income stream to pay the loan back.

Q: Will the staff evaluators of the applications include those with business background?

A: Yes. We have business and energy expertise in Commerce.

Q: Are you looking to fund a lot of projects, or a couple larger projects?

A: That is not predetermined. It depends on the projects.

Q: Is there a procurement process defined for specific equipment or services?

A: The procurement process requirement will be in the contract, not the application.

Q: Will you use the same scoring process for different categories?

A: There will be some differences, see the guidelines.

Q: If projects get awards, but then will get kicked out what will happen?

A: It depends on where we are in the contracting process. Funds could go into the next round if contracts have been executed.

Q: How will it be evaluated subjectively by project? If only need \$500,000 for a solid plan, will not score as high as someone with a larger project. Would feel bad if came for only what needed and didn't score as high with someone asking for more money. It doesn't seem very fair. If go through all of this work, hope won't be overlooked.

A: It's not the only piece of scoring.

Q: If an applicant has a 50/50 match, they would get three points out of 30 points?

A: Yes.

Q: Will the second round be subject to same requirements?

A: It may be changed based on our experience with this round. There probably will be changes.

Q: If project cost is \$1 million to \$4 million, could never get to 10 points?

A: Could have a larger project than \$4 million.

Q: Is the money received the only money subject to all of the ARRA requirements?

A: No. The match would be subject to those requirements. Would limit people coming in for the 10%.

Q: How do you handle subsequent changes in scope of project after have gone to award?

A: That will be subject to negotiation.

Q: Is there a possibility of more funds after the contract has been signed if there are changes in the project?

A: No.

Q: If already have a building permit, how can say “but for” the project wouldn’t happen?

A: Could be an addition to a building that already has a permit – for solar for example.

Q: What evidence do you need to show can repay the loan?

A: Work plan will show how can repay the loan.

Q: You are giving up to 30 points for leveraging, but said earlier that the program is about jobs and energy savings with lower scores. Seems to suggest, the more money you bring to the table the better you will score. Could come with a mediocre project but more money. Is it about technology or matching funds? Why is it important?

A: All of our scoring was negotiated by our team for the end product. Some wanted it higher and some lower. It was a compromise.

Q: If have 10 to one matching, how can say “but for” the funding the project wouldn’t happen. Match is three times as important as jobs?

A: Jobs are an estimate v. match which is easier to calculate. That is what the business model is for also.

Jobs

Q: Does the requirement to list of recovery act jobs include subcontractors?

A. Yes, subcontractors must list with WorkSource. Prescreening can be done by ESD staff.

Q: Count direct jobs including accounting staff?

A: Yes.

Q. Can clean energy grant money for green jobs work?

A. No, needs to go through ARRA green jobs funding.

Q. Any consideration to level of jobs

A. NO – just jobs.

Q: Calculating jobs retained & new – how did you arrive at #.

A: Timeframe of jobs – years? 2 halftime equal one person by year.

Q: Do truck driver jobs count?

A: Depends upon if it is directly related to the project.

Q: If the project involves a six month construction period for 10 people, is that 5 jobs?

A: Yes. It is annual FTEs.

Q: Should the jobs created early on in the project or later with commercialization?

A: It can be when you go to commercialization. Early is better because of the economic stimulus goals, but there are no additional points for early jobs.

Q: How will you rate energy innovation projects? How to you create jobs if you are testing something?

A: It is jobs over the next 2-3 years.

Q: Is there a formula for calculating jobs?

A: Yes, check the guidelines.

Q: If a company creates 10 jobs, is it eligible for \$1 million?

A: No, the amount of request should be based on the project.

Q: When are counting jobs, if you restore employees that are laid off is that creating or retaining?

A: Retaining.

Q: How do you show creation or retention of jobs?

A: Hiring or retaining someone was going to be laid off, etc.

Q: In jobs created, can you just indicate the title rather than a name?

A: Yes.

Q: Do you have a preference for creating or retaining jobs?

A. No preference.

Q: Where do we find the state and federal legislative district number?

A: State legislature web site and congressional web site. Can ask local congressman.

Q: What is “organization category”?

A: Business, nonprofit, government, etc.

Q: When counting jobs created, will secondary jobs be reported?

A: No secondary jobs will need to be reported.

Q: If are bidding the work out, won't know how many jobs until afterward.

A: Will have to make best guess.

Part VI – Application Instructions

Q: Is a 501(c)(6) eligible?

A: All nonprofits will be eligible.

Q: Will business plans count for scoring?

A: Yes, as a part of the project plan.

Q: Do you need a descriptor for the project in the notice of intent?

A: Yes, we need to know what types of projects within each category – e.g. wind, solar, etc. – to make sure we have the technical staff with expertise in that area to review the applications.

Q: Do we need one notice of intent per project?

A: Yes.

Q: In some portion of the application, technical details may need to be simplified. If the Department doesn't understand it what happens?

A: The Department will contact the applicant if there are questions.

Q: What does "Commercial/Industrial Facility" mean on page 30 in the Project Budget?

A: It refers to facilities that may be acquired or built for the project.

Q: Do you do a separate budget for each sub-recipient?

A: You can combine them or keep them separate. You can do it in an Excel spreadsheet.

Q: What part of the application would include letters of commitment?

A: It would be an attachment to the application. It doesn't need be attached to the notice of intent.

Q: What is a sub-recipient?

A: The subcontractor or partner. If there is more than one, attach another form. Since it is in Word, you can create more sub-recipient boxes in the form.

Q: Is this the only notice of intent date, or will there be another for the second round?

A: There will be another for the second round.

Q: Will the business plan become public record?

A: You can request that it not be part of the public record consistent with the Open Public Records Act.

Q: When are counting jobs, if you restore employees that are laid off is that creating or retaining?

A: Retaining.

Q: Financial statements – for applications from new companies with little financial activity, do you need a letter from an accountant to say not much going on yet?

A: You don't need to pay an accountant to make the statement. You can simply state so in the application. You should have some documentation that you have the necessary capital.

Q: Project summary instructions #9 – please explain.

A: It should be whoever can legally obligate the organization or government agency. Usually it's whoever can sign contracts.

Q: Are the first quarterly reports due October 2009?

A: That would only apply to contracts that have been signed. Commerce will be doing a quarterly report in October 2009 on agency progress with funds.

Q: Should we submit the business plan as an appendix to the application?

A: Yes. You can include an executive summary of the business plan.

Q: Applications must have match funding, or a commitment from a lender. Should we include lender and equity sources of funding?

A: Yes, if applicable.

Q: Regarding the task list for project plan related to construction – should we say not applicable and fill in lower rows?

A: Just change the task name, add lines if necessary.

Q: On page 27, under nonprofits it does not call out for having secured other funds or received from a lender.

A: This has been revised in version 2.

Q: Could two companies apply together without forming a company?

A: Yes. But one company should take the lead so there is only one contract.

Part VII – Rights Reserved, Proprietary Information & Public Disclosure

Q: What must be publicly disclosed?

A: Awards, jobs reporting, etc. Emphasis is on accountability and transparency. If want to keep something from being publicly disclosed, must clearly request it.

Q: Regarding proprietary information, does that include intellectual property?

A: It could include that if it meets statutory requirements.

Q. How can we keep private information confidential?

A. Any information you want to keep confidential will need to be noted on each page. You can't request all information to be kept confidential. Some information will be required to be public – contractor, amount, project, jobs, energy savings. We will comply with state law.